SENATE BILL No. 476

DIGEST OF SB 476 (Updated February 5, 2015 2:36 pm - DI 120)

Citations Affected: IC 6-1.1.

Synopsis: School capital projects fund tax rates. Provides that when calculating the maximum rate for a school corporation's capital projects fund for taxes due and payable in calendar year 2016, the first step in the calculation (the previous year's maximum rate) shall be the larger of: (1) the actual maximum rate for the school corporation's capital projects fund for the previous year; or (2) the maximum rate that would have been established for the school corporation's capital project fund for the previous year if the formula used in current law to determine the maximum rate had been in effect for each calendar year after 2006. Specifies that the maximum rate calculation as added in the bill does not apply to the Vincennes Community School Corporation.

Effective: Upon passage.

Head, Kenley, Raatz, Rogers, Kruse, Randolph

January 14, 2015, read first time and referred to Committee on Appropriations.
January 29, 2015, amended, reported favorably — Do Pass.
February 5, 2015, read second time, amended, ordered engrossed.

SENATE BILL No. 476

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1   SECTION 1. IC 6-1.1-18-12, AS AMENDED BY P.L.2-2014,
2 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 12. (a) For purposes of this section,
4 "maximum rate" refers to the maximum:
5   (1) property tax rate or rates; or
6   (2) special benefits tax rate or rates;
7 referred to in the statutes listed in subsection (d).
8   (b) The maximum rate for taxes first due and payable after 2003 is
9 the maximum rate that would have been determined under subsection
10 (e) for taxes first due and payable in 2003 if subsection (e) had applied
11 for taxes first due and payable in 2003.
12   (c) The maximum rate must be adjusted each year to account for the
13 change in assessed value of real property that results from:
14   (1) an annual adjustment of the assessed value of real property
15   under IC 6-1.1-4-4.5;
16   (2) a general reassessment of real property under IC 6-1.1-4-4; or

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1	(3) a reassessment under a county's reassessment plan prepared
2	under IC 6-1.1-4-4.2.
3	(d) The statutes to which subsection (a) refers are:
4	(1) IC 8-10-5-17;
5	(2) IC 8-22-3-11;
6	(3) IC 8-22-3-25;
7	(4) IC 12-29-1-1;
8	(5) IC 12-29-1-2;
9	(6) IC 12-29-1-3;
10	(7) IC 12-29-3-6;
11	(8) IC 13-21-3-12;
12	(9) IC 13-21-3-15;
13	(10) IC 14-27-6-30;
14	(11) IC 14-33-7-3;
15	(12) IC 14-33-21-5;
16	(13) IC 15-14-7-4;
17	(14) IC 15-14-9-1;
18	(15) IC 15-14-9-2;
19	(16) IC 16-20-2-18;
20	(17) IC 16-20-4-27;
21	(18) IC 16-20-7-2;
22	(19) IC 16-22-14;
23	(20) IC 16-23-1-29;
24	(21) IC 16-23-3-6;
25	(22) IC 16-23-4-2;
26	(23) IC 16-23-5-6;
27	(24) IC 16-23-7-2;
28	(25) IC 16-23-8-2;
29	(26) IC 16-23-9-2;
30	(27) IC 16-41-15-5;
31	(28) IC 16-41-33-4;
32	(29) IC 20-46-2-3 (before its repeal on January 1, 2009);
33	(30) IC 20-46-6-5;
34	(31) IC 20-49-2-10;
35	(32) IC 36-1-19-1;
36	(33) IC 23-14-66-2;
37	(34) IC 23-14-67-3;
38	(35) IC 36-7-13-4;
39	(36) IC 36-7-14-28;
40	(37) IC 36-7-15.1-16;
41	(38) IC 36-8-19-8.5;
42	(39) IC 36-9-6.1-2;

1   (40) IC 36-9-17.5-4;
2   (41) IC 36-9-27-73;
3   (42) IC 36-9-29-31;
4   (43) IC 36-9-29.1-15;
5   (44) IC 36-10-6-2;
6   (45) IC 36-10-7-7;
7   (46) IC 36-10-7-8;
8   (47) IC 36-10-7.5-19;
9   (48) IC 36-10-13-5;
10   (49) IC 36-10-13-7;
11   (50) IC 36-10-14-4;
12   (51) IC 36-12-7-7;
13   (52) IC 36-12-7-8;
14   (53) IC 36-12-12-10;
15   (54) a statute listed in IC 6-1.1-18.5-9.8; and
16   (55) any statute enacted after December 31, 2003, that:
17   (A) establishes a maximum rate for any part of the:
18   (i) property taxes; or
19   (ii) special benefits taxes;
20   imposed by a political subdivision; and
21   (B) does not exempt the maximum rate from the adjustment
22   under this section.
23   (e) For property tax rates imposed for property taxes first due and
24 payable after December 31, 2013, the new maximum rate under a
25 statute listed in subsection (d) is the tax rate determined under STEP
26 EIGHT of the following STEPS:
27   STEP ONE: Except as provided in subsection (g), determine the
28   maximum rate for the political subdivision levying a property tax
29   or special benefits tax under the statute for the previous calendar
30   year.
31   STEP TWO: Determine the actual percentage change (rounded to
32   the nearest one-hundredth percent (0.01%)) in the assessed value
33   of the taxable property from the previous calendar year to the year
34   in which the affected property taxes will be imposed.
35   STEP THREE: Determine the three (3) calendar years that
36   immediately precede the year in which the affected property taxes
37   will be imposed.
38   STEP FOUR: Compute separately, for each of the calendar years
39   determined in STEP THREE, the actual percentage change
40   (rounded to the nearest one-hundredth percent (0.01%)) in the
41   assessed value (before the adjustment, if any, under
42   IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed
in STEP FOUR by three (3).
STEP SIX: Determine the greater of the following:
    (A) Zero (0).
    (B) The STEP FIVE result.
STEP SEVEN: Determine the greater of the following:
    (A) Zero (0).
    (B) The result of the STEP TWO percentage minus the STEP
    SIX percentage, if any.
STEP EIGHT: Determine the quotient of the STEP ONE tax rate
divided by the sum of one (1) plus the STEP SEVEN percentage,
if any.

(f) The department of local government finance shall compute the
maximum rate allowed under subsection (e) and provide the rate to
each political subdivision with authority to levy a tax under a statute
listed in subsection (d).

(g) This subsection applies only when calculating the maximum rate
for taxes due and payable in calendar year 2013. The STEP ONE result
is the greater of the following:
    (1) The actual maximum rate established for property taxes first
    due and payable in calendar year 2012.
    (2) The maximum rate that would have been established for
    property taxes first due and payable in calendar year 2012 if the
    maximum rate had been established under the formula under this
    section, as amended in the 2012 session of the general assembly.

(h) This subsection applies only when calculating the maximum rate
allowed under subsection (e) for the Vincennes Community School
Corporation with respect to property taxes first due and payable in
2014. The subsection (e) STEP ONE result for the school corporation's
capital projects fund is nineteen and forty-two hundredths cents
($0.1942).

**(i) This subsection does not apply when calculating the
maximum rate for the Vincennes Community School Corporation.
This subsection applies only when calculating the maximum rate
for a school corporation's capital projects fund for taxes due and
payable in calendar year 2016. The subsection (e) STEP ONE
result for purposes of the calculation of that maximum rate is the
greater of the following:**
    **(1) The actual maximum rate established for the school
    corporation's capital projects fund for property taxes first
    due and payable in calendar year 2015.**
    (2) The maximum rate that would have been established for

1   **the school corporation's capital projects fund for property**
2   **taxes first due and payable in calendar year 2015 if the**
3   **formula specified in subsection (e) had been in effect for the**
4   **determination of maximum rates for each calendar year after**
5   **2006.**
6   SECTION 2. **An emergency is declared for this act.**

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 476, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 16, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-18-12, AS AMENDED BY P.L.2-2014, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) For purposes of this section, "maximum rate" refers to the maximum:

(1) property tax rate or rates; or

(2) special benefits tax rate or rates;

referred to in the statutes listed in subsection (d).

(b) The maximum rate for taxes first due and payable after 2003 is the maximum rate that would have been determined under subsection (e) for taxes first due and payable in 2003 if subsection (e) had applied for taxes first due and payable in 2003.

(c) The maximum rate must be adjusted each year to account for the change in assessed value of real property that results from:

(1) an annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5;

(2) a general reassessment of real property under IC 6-1.1-4-4; or

(3) a reassessment under a county's reassessment plan prepared under IC 6-1.1-4-4.2.

(d) The statutes to which subsection (a) refers are:

(1) IC 8-10-5-17;

(2) IC 8-22-3-11;

(3) IC 8-22-3-25;

(4) IC 12-29-1-1;

(5) IC 12-29-1-2;

(6) IC 12-29-1-3;

(7) IC 12-29-3-6;

(8) IC 13-21-3-12;

(9) IC 13-21-3-15;

(10) IC 14-27-6-30;

(11) IC 14-33-7-3;

(12) IC 14-33-21-5;

(13) IC 15-14-7-4;

(14) IC 15-14-9-1;

(15) IC 15-14-9-2;

(16) IC 16-20-2-18;

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(17) IC 16-20-4-27;
(18) IC 16-20-7-2;
(19) IC 16-22-14;
(20) IC 16-23-1-29;
(21) IC 16-23-3-6;
(22) IC 16-23-4-2;
(23) IC 16-23-5-6;
(24) IC 16-23-7-2;
(25) IC 16-23-8-2;
(26) IC 16-23-9-2;
(27) IC 16-41-15-5;
(28) IC 16-41-33-4;
(29) IC 20-46-2-3 (before its repeal on January 1, 2009);
(30) IC 20-46-6-5;
(31) IC 20-49-2-10;
(32) IC 36-1-19-1;
(33) IC 23-14-66-2;
(34) IC 23-14-67-3;
(35) IC 36-7-13-4;
(36) IC 36-7-14-28;
(37) IC 36-7-15.1-16;
(38) IC 36-8-19-8.5;
(39) IC 36-9-6.1-2;
(40) IC 36-9-17.5-4;
(41) IC 36-9-27-73;
(42) IC 36-9-29-31;
(43) IC 36-9-29.1-15;
(44) IC 36-10-6-2;
(45) IC 36-10-7-7;
(46) IC 36-10-7-8;
(47) IC 36-10-7.5-19;
(48) IC 36-10-13-5;
(49) IC 36-10-13-7;
(50) IC 36-10-14-4;
(51) IC 36-12-7-7;
(52) IC 36-12-7-8;
(53) IC 36-12-12-10;
(54) a statute listed in IC 6-1.1-18.5-9.8; and
(55) any statute enacted after December 31, 2003, that:
    (A) establishes a maximum rate for any part of the:
        (i) property taxes; or
        (ii) special benefits taxes;

imposed by a political subdivision; and

  (B) does not exempt the maximum rate from the adjustment under this section.

(e) For property tax rates imposed for property taxes first due and payable after December 31, 2013, the new maximum rate under a statute listed in subsection (d) is the tax rate determined under STEP EIGHT of the following STEPS:

  STEP ONE: Except as provided in subsection (g), determine the maximum rate for the political subdivision levying a property tax or special benefits tax under the statute for the previous calendar year.

  STEP TWO: Determine the actual percentage change (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the previous calendar year to the year in which the affected property taxes will be imposed.

  STEP THREE: Determine the three (3) calendar years that immediately precede the year in which the affected property taxes will be imposed.

  STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage change (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

  STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

  STEP SIX: Determine the greater of the following:

    (A) Zero (0).

    (B) The STEP FIVE result.

  STEP SEVEN: Determine the greater of the following:

    (A) Zero (0).

    (B) The result of the STEP TWO percentage minus the STEP SIX percentage, if any.

  STEP EIGHT: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SEVEN percentage, if any.

(f) The department of local government finance shall compute the maximum rate allowed under subsection (e) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (d).

(g) This subsection applies only when calculating the maximum rate for taxes due and payable in calendar year 2013. The STEP ONE result is the greater of the following:

(1) The actual maximum rate established for property taxes first due and payable in calendar year 2012.

(2) The maximum rate that would have been established for property taxes first due and payable in calendar year 2012 if the maximum rate had been established under the formula under this section, as amended in the 2012 session of the general assembly.

(h) This subsection applies only when calculating the maximum rate allowed under subsection (e) for the Vincennes Community School Corporation with respect to property taxes first due and payable in 2014. The subsection (e) STEP ONE result for the school corporation's capital projects fund is nineteen and forty-two hundredths cents ($0.1942).

(i) This subsection applies only when calculating the maximum rate for a school corporation's capital projects fund for taxes due and payable in calendar year 2016. The subsection (e) STEP ONE result for purposes of the calculation of that maximum rate is the greater of the following:

(1) The actual maximum rate established for the school corporation's capital projects fund for property taxes first due and payable in calendar year 2015.

(2) The maximum rate that would have been established for the school corporation's capital projects fund for property taxes first due and payable in calendar year 2015 if the formula specified in subsection (e) had been in effect for the determination of maximum rates for each calendar year after 2006.".

Page 2, delete lines 1 through 33.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 476 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 12, Nays 0.

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SENATE MOTION

Madam President: I move that Senate Bill 476 be amended to read as follows:

Page 4, line 32, after "**(i)**" insert "**This subsection does not apply when calculating the maximum rate for the Vincennes Community School Corporation.**".

(Reference is to SB 476 as printed January 30, 2015.)

<div align="right">HEAD</div>

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